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Treasury Department to find the names of public security holders who were also members of the first Congress. A scrutiny of the votes in either House for Hamilton's fiscal measures reveals that, of the 14 senators who voted for the funding bill with the assumption of state debts amendment, 11 were holders of public securities, and that 21 out of the affirmative majority of 32 in the House, on the same measure, were also creditors of the government. But after a review of the geographical distribution of the public securities, the author concludes that nearly all the members of Congress fairly represented in this voting the dominant economic interests of the constituencies. Pennsylvania Republicans presented for popular approval their candidates for local and federal office, "most of them farmers, the occupation of all others that leads most to virtue."

There is certainly sufficient evidence that "the interests" were as feared and as hotly denounced in 1800 as they are today, and that the "malefactors of predatory wealth" were a continual nightmare to Jefferson and his supporters, *until the latter obtained control of the government*. In the election of 1800, there were in the Wall Street region of New York City only 74 Jeffersonian votes, while the Federalists polled 213. But the gardeners, carpenters, and wage-laborers, who lived in the outlying parts of the city, were overwhelmingly Republican.

Such a monograph as this renders valuable aid to the student and future historian who seek to visualize and correlate the great forces that formed our political structure. It is possible, however, that the economic differences here emphasized were of secondary rather than primary importance. There may be good reason to think that the deeper fact underlying the first political parties should be described as social rather than economic, and that the real conflict was between social groups, the faint survivals or imitations of Old-World differences, in which economic interests enhanced but did not cause the antagonism.

Professor Beard promises a third volume in the series which will set forth the economic doctrines and policies of Jeffersonian republicanism as a chapter in the larger study of "Agrarianism and Slavocracy."

CHARLES H. LEVERMORE.

*Imperial Germany and the Industrial Revolution.* By THORSTEIN VEBLEN. (New York: The Macmillan Company. 1915. Pp. viii, 324. \$1.50.)

In this volume Mr. Veblen roams freely over the field of the economic interpretation of history from the prehistoric archaeology of Scandinavia to such questions of the hour as the relative merits of the German and English languages, cultures, and political institutions. He gives almost no facts, but advances many interesting propositions. His main theme is the difference between the development of the Industrial Revolution in Germany as compared with that in England, and the deleterious effects of Prussian-Imperial policy on German economic development.

A long introduction on the neolithic culture of the Baltic littoral disposes of the Teutonic claim to being a pure "race," such as Stewart Chamberlain would have us believe in. English and Germans are descended from the same hybrid Baltic stock, one of whose chief characteristics is a tendency to borrow, assimilate, and turn profitably to their account the cultural advantages, economic and political, of their neighbors. The English of the Elizabethan Age borrowed navigation and shipbuilding and other industrial arts from the Continent and assimilated them with such advantage that England started on a long period of economic development which placed her in the course of three centuries far ahead of the other countries. Similarly the Germans of the Imperial Era of the last half century have borrowed from England all the ready-made technological arts which the English had been painfully working out since Elizabeth's time.

Mr. Veblen holds that the fundamental reason for Germany's recent extraordinary industrial growth is the fact that Germany, in thus borrowing a perfected industrial system, was able to put it into operation within a few years instead of centuries, and was able to borrow it stripped free of all the British pernicious habits and ideas which had grown with the slow progress of the industrial arts in England and which still cling as a very serious encumbering hindrance on English industry. In England, for instance, there developed concomitantly with the mechanical arts what the author calls a "mechanistic conception," or matter-of-fact habit of mind, which made for materialism and individual selfishness at the expense of national loyalty and solidarity. Capitalistic exploitation of labor resulted in bad sanitation, excessive hours of work, dangerous machinery and other detrimental influences which weakened the physique of English workmen and produced a "depauperate" population. Competitive salesmanship, with its enormous and wasteful expenditure on advertising, raised the cost of

production at the expense of the community. "Depreciation by obsolescence," the loss through failure to replace obsolete with up-to-date equipment, was more marked in England because the development of the arts was relatively slow, and because the evil was not felt so long as England alone was enjoying the benefits of the Industrial Revolution; it was not felt till the up-to-date equipment of Germany and America began to reveal by competition the English obsolescence which had been fostered by the national habit of "muddling along." The long unrivalled wealth and prosperity which came to England through her priority in the technological arts created in England an expensive standard of living or "conspicuously wasteful consumption"; the English "gentleman," with his numerous dogs and residences, with his addiction to sports, week-ends in the country, and expensive foreign travel, set an example of uneconomical expenditure which was reflected in "the petty fopperies and uncouth dissipations of the British working-class."

When, however, the Germans borrowed from England the highly developed industrial arts, they did not take over any of these pernicious cultural consequences. On the contrary, the borrowers were in the relatively archaic stage represented by the autocratic dynastic state; but they were also a people who were accustomed to frugality, who had a relatively inexpensive standard of living, who by long intellectual training were highly intelligent in adopting and operating the new machines, and who had been trained in valuable habits of docility by a strong dynastic state. So the borrowers, unencumbered by English traditions and wasteful habits, were speedily able to outstrip the English themselves.

Having explained Germany's Industrial Revolution on these grounds, the author then undertakes to show that Germany's recent economic prosperity has not been because of, but in spite of, the Prussian-Imperial State policy. Except where the state has swept away barriers, state activity, he maintains, in regard to tariffs, railroads, colonies, military expenditures, and social legislation has tended to hinder rather than to advance Germany's economic development. No doubt the dynastic state has greatly turned to its own profit the new technological arts to increase its own military efficiency with the very best warlike equipment. But in the end, he believes, even in Germany, the Industrial Revolution will tend to develop, as in England, that "mechanistic conception" which is inimical to loyalty and personal government and there-

fore to the dynastic state; it will inevitably tend to promote a spirit of freedom and the development of more democratic political institutions.

SIDNEY B. FAY.

*Smith College.*

*Socialized Germany.* By FREDERIC C. HOWE. (New York: Charles Scribner's Sons. 1915. Pp. x, 342. \$1.50.)

Dr. Howe's work does not belong to the grist of books written hastily to prove the black sinfulness or the white righteousness of Germany's war policies. It is the outcome of a quarter century's study of German life, and had been in large part written before the outbreak of the European war. It was then laid aside, the preface tells us, to await the ending of the war, but later, as the fruits of Germany's organization became visible in her military efficiency, the author decided to complete it, partly as an explanation of that efficiency, and partly as a warning to the slacker nations. For Dr. Howe has his gospel of preparedness to spread abroad, but it is preparedness for peace. The German peril, he declares, is a peace peril as well as a military peril: "The real peril to the other powers lies in the fact that Germany is more intelligently organized than is the rest of the world." Soon Germany will turn from war to peace with the same preparedness with which she turned from peace to war: then let her *laissez faire* rivals beware.

In the shaping of modern Germany, Dr. Howe begins, three forces have been paramount—the survival of feudalism in Prussia, the personal influence of Bismarck and Wilhelm II, and the system of education. The survival of feudalism—due to the fact that the steam-roller of the French Revolution did not pass over eastern Prussia—explains both the political backwardness and the social paternalism of the modern state. A glowing and impressive account is given of the recent economic progress of Germany, based largely on the studies of Dr. Karl Helfferich. How explain this wonderful and unparalleled progress? the author asks. His answer is simple—state socialism.

One by one the chief phases of this policy of state socialism are reviewed. We are called upon to admire the state-owned railways, efficiently managed, yielding profit to the treasury and prosperity to German industry; the waterways, free ports, and harbor terminals; the experiments in state ownership of farms,